

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4248-01  
Bill No.: HB 1644  
Subject: Health Care; Health Care Professionals; Hospital; Nursing and Boarding Homes.  
Type: Original  
Date: February 20, 2002

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**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Nursing Fund	\$0	(\$171,926)	(\$292,941)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>(\$171,926)</b>	<b>(\$292,941)</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

**FISCAL ANALYSIS**

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### ASSUMPTION

Officials from the **Department of Social Services, Department of Mental Health** and **Department of Health and Senior Services** assume the proposed legislation will not fiscally impact their organizations.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** provided the following assumption regarding the proposed legislation:

**Staffing:**

**Investigator II:** **FTE:** **2** **Annual Salary:** **\$37,488**

These positions will assist the board in conducting investigations as a result of the increase in complaints received.

<b>Sub. Abuse Couns. Asst. II:</b>	<b>FTE:</b>	<b>1</b>	<b>Annual Salary:</b>
<b>\$26,460</b>			

This position will assist the Discipline Administrator and board members with review of investigations and determination of discipline and will assist with the monitoring of disciplined licensees.

**Office and Communication Expenses:**

Office and communication expenses and equipment are based on estimated existing costs within the Division and follow OA guidelines.

**Board Meetings:**

It is assumed that the board will have to conduct additional committee conference calls to review investigative reports. Each member of the board receives per diem of \$50 for conducting board business. It is assumed there would be at least 1 additional call each year.

**Complaints:** 324

The Board of Nursing estimates that there will be approximately 324 additional complaints per year. The board currently receives 900 complaints per year. 36% of nurses currently licensed are not working at a facility that is a mandated reporter. It is estimated that an average complaint would require 5 hours to complete. It is assumed that complaints and investigations would not start until FY 2004.

ASSUMPTION (continued)

Investigations: 97

It is estimated that 30% of the complaints filed would require field investigations.

It is estimated that an average investigation would require approximately 30 hours of field work. It is assumed that for each investigation there would be an average of 1 night's lodging. Travel expenses for the investigations have been estimated as follows:

12	Meals For 1 Investigation
<u>\$15</u>	Cost Per Meal
\$180	Total Cost For Meals
<u>\$75</u>	1 Night's Lodging
\$255	Total Cost Per Investigation
<u>x 97</u>	Number of Investigations
<b><u>\$24,735</u></b>	<b>Total Investigative Travel Expenses</b>

**Attorney General's Cost:**

It is estimated that 25% of the investigations would be forwarded to the Attorney General's office for further action. It is assumed that there would not be any cases until FY 2005.

24	Case(s)
<u>\$5,400</u>	Cost Per Case
<b><u>\$129,600</u></b>	<b>Total Case Cost</b>

**Oversight** assumes that if vehicles are necessary for personnel conducting the investigations, the DED will go through the appropriations process for approval of the purchase of the vehicles.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>NURSING FUND</b>			
<u>Costs - Department of Economic Development</u>			
Personal Service Costs (3 FTE)	\$0	(\$97,179)	(\$99,608)
Fringe Benefits	\$0	(\$34,994)	(\$35,869)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
Equipment and Expense	\$0	(\$39,753)	(\$27,864)
Legal Costs - Attorney General's Office	\$0	<u>\$0</u>	<u>(\$129,600)</u>
Total <u>Costs</u> - Department of Economic Development	<u>\$0</u>	<u>(\$171,926)</u>	<u>(\$292,941)</u>

<b>ESTIMATED NET EFFECT ON THE NURSING FUND</b>	<b><u>\$0</u></b>	<b><u>(\$171,926)</u></b>	<b><u>(\$292,941)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### FISCAL IMPACT - Small Business

The proposed legislation may result in an insignificant administrative cost to small businesses as they would be required to report disciplinary actions to the Department of Health and Senior Services.

#### DESCRIPTION

This bill revises provisions pertaining to the reporting of disciplinary actions by medical facilities.

Long-term care facilities, hospice agencies, home health agencies, and assisted living facilities are required to report to appropriate health care professional licensing agencies disciplinary actions taken against health care professionals or voluntary resignations of health care professionals resulting from the filing of complaints or reports which may have resulted in disciplinary action.

Health care professional licensing agencies are authorized to furnish a report of any disciplinary action received to long-term care facilities, hospice agencies, home health agencies, and assisted living facilities.

#### DESCRIPTION (continued)

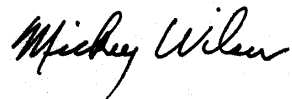
No liability or a cause of action can occur against long-term care facilities, hospice agencies, home health agencies, and assisted living facilities required to comply with the provisions of the bill.

Currently, these facilities are not required to comply with the disciplinary reporting requirements.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services  
Department of Health and Senior Services  
Department of Mental Health  
Department of Economic Development - Professional Registration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director  
February 20, 2002